

Message Text

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ORIGIN NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15 OMB-01

AID-05 IGA-01 INT-05 TRSE-00 NSCE-00 SSO-00 USIE-00

INRE-00 /059 R

DRAFTED BY NEA/ARP:SWBUCK:GAS/OPS/FSB:WGSEARCY:PAH

APPROVED BY NEA:MR. SOBER

DOD/ISA/NESA:EWSCHAEFFER

AA/NESA:RNOOTER

L/E:PTRIMBLE (SUBS)

USGS:HFLEMMING

AID/OPS:LJGOIN

H:KFOLGER

P:ARAPHEL S/S-O:LMATTESON

IGA:JTAYLOR

----- 048086

O R 130347Z DEC 74 ZFF4

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA NIACT IMMEDIATE

INFO AMCONSUL DHAHRAN

C O N F I D E N T I A L STATE 273502

E.O. 11652:GDS

TAGS: SA, US, PINS

SUBJECT:SAUDI DECISION TO DISCONTINUE AID/OPS MISSION

REF: A. JIDDA 7134, B. JIDDA 7093, C. JIDDA 6986,

D. STATE 256090

1. WE REGRET BUT ACCEPT SAUDI DECISION TO TERMINATE AID/OPS
PROGRAM AS OF MARCH 31, 1975. WE NOW FACE TWO IMMEDIATE
REQUIREMENTS: FIRST, TO SETTLE QUESTION OF AID/OPS PROJECT
FUNDING STATUS AND OBTAIN FUNDS REQUIRED TO MAINTAIN
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AID/OPS EXPERTS THROUGH MARCH 31, 1975; AND SECOND TO

ARRANGE USG SURVEY REQUESTED BY SAG IN JUNE, 1974.

2. FUNDING: AS WE UNDERSTAND IT SAG UNDER IMPRESSION THAT MONEY IT DEPOSITED IN TRUST FUND IN SEPTEMBER AND DOLLARS 175,000 IT IS EXPECTED TO DEPOSIT IN JANUARY ARE TO COVER 9 EXPERTS THROUGH END OF SAUDI FISCAL YEAR (JULY, 1975) AT RATE OF APPROXIMATELY DOLS 45,000 PER YEAR PER EXPERT. IN FACT, BECAUSE RATE PER EXPERT HAS RISEN TO ROUGHLY DOLS 65,000 PER YEAR, MONEY SAG HAS ALREADY DEPOSITED WILL ONLY COVER PRESENT 6 EXPERTS THROUGH DECEMBER 31, 1974. FOR THESE EXPERTS TO BE RETAINED THROUGH MARCH 31, 1975 WILL REQUIRE FURTHER DOLS 75,000; (CG/FF 25,000; DTS 50,000) WHICH INCLUDES RETURN TRAVEL FOR 6 EXPERTS. THIS FIGURE LOWER THAN PARA 3 A REF C SINCE TRAVEL AND RELATED COSTS

REPLACEMENTS WAGONER AND NESBITT DELETED. WHILE AID CONTROLLER GENERAL HAS RULED THAT LEGALLY AID CAN COVER COST OF EXPERTS AND BILL SAG ON EX POST FACTO BASIS THROUGH PERIOD OF PRESENT CONTRACT, WE CONTINUE TO FEEL FUNDING SHOULD BE PROVIDED IN ADVANCE. WE FULLY UNDERSTAND SLOWNESS OF SAUDI FISCAL SYSTEM, BUT FEEL THAT GIVEN MERITS OF CASE AND CONGRESSIONAL INTEREST IN THIS ISSUE, OUTSTANDING FUNDS QUESTIONS SHOULD BE CLEARLY UNDERSTOOD BY SAG OFFICIALS AND RESOLVED QUICKLY, BUT IN ANY EVENT PRIOR TO DECEMBER 31. AS PER AGREEMENT, ANY OVERPAYMENTS BY SAG WILL BE RETURNED.

3. SURVEY: (A) OVERALL SPONSORSHIP - WE AGREE WITH EMBASSY SUGGESTION THAT STUDY OF VARIOUS INTERIOR MINISTRY SERVICES (PSF, SSF, CC/FF, ETC.) SHOULD BE BILLED AS A USG RATHER THAN AID/OPS SURVEY. IT WOULD BE INAPPROPRIATE TO PLACE SURVEY UNDER JOINT SECURITY COMMISSION AS SUGGESTED BY PRINCE NAIF. DOD IS NOT IN A POSITION TO PROVIDE ASSISTANCE TO ALL BRANCHES OF WHAT IS PRIMARILY A CIVILIAN AGENCY.

(B) POSSIBLE PARTICIPANTS IN SURVEY AND LATER FOLLOW UP - AID/OPS WASHINGTON WAS THINKING IN TERMS OF 16 MAN SURVEY MISSION, BROKEN DOWN INTO APPROXIMATELY HALF AID/OPS AND NON-AID/OPS PERSONNEL. HOWEVER, IN ALL LIKELIHOOD THIS CONFIDENTIAL

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COULD INCLUDE EXPERTS FROM GOVERNMENT AND NONGOVERNMENT SOURCES AS REQUIRED. IF CG/FF WISHES TO BE SURVEYED, WE SEE NO REASON WHY THIS COULD NOT BE INCLUDED UNDER GENERAL SURVEY. WHILE PARTICIPATION FROM VARIOUS USG AGENCIES IN SURVEY NO PROBLEM, WE MUST POINT OUT THAT AID/OPS ONLY USG ENTITY PRESENTLY AUTHORIZED TO BACKSTOP AND MANAGE PROVISION OF TECHNICAL ASSISTANCE IN PUBLIC SECURITY FIELD ABROAD. IF ADVISORS ARE TO BE PROVIDED

IN PUBLIC SAFETY FIELD AFTER MARCH 31, 1975, ON STRUCTURED BASIS (I.E. NOT INDIVIDUAL CONTRACT) AS RESULT SURVEY, THIS WILL REQUIRE EITHER EXTENSION AND AMENDMENT OF PRESENT AGREEMENT, OR AGREEMENT ON A NEW PROJECT. IN ANY EVENT, AID WOULD BE INVOLVED SINCE OTHER USG AGENCIES NOT NOW AUTHORIZED TO ASSUME THIS ROLE.

(C) COSTS PER EXPERT - WE FULLY UNDERSTAND SAUDI UNHAPPINESS WITH RISING COSTS AND, UNTIL RECENTLY, INCOMPLETE INFORMATION ON BASIS FOR CALCULATING COSTS. HOWEVER, MUST POINT OUT THAT COST PER EXPERT DETERMINED BY AID (PARA 5, REF D), IS A COST BASED ON FORMULA FOR ALL RPT ALL AID TECHNICAL ASSISTANCE PROVIDED UNDER SECTION 607, NOT JUST UNDER AID/OPS. ADDITIONAL COPIES

STANDARD OVERHEAD COST FACTORS BEING POUCHED EMBASSY. ALSO MAY BE NOTED THAT SINCE 1968 AID HAS NOT LEVIED SUPPORT COSTS WHILE OTHER USG AGENCIES DID. THUS, COSTS OF PROGRAM REPRESENTED SIGNIFICANT BARGAIN. WHILE ANY COST ESTIMATES DEPEND ON CIRCUMSTANCES AND PROGRAMS, WE WOULD NOTE THAT USGS, WITH LONG EXPERIENCE IN SAUDI ARABIA, PRESENTLY ESTIMATES AVERAGE COST PER EXPERT PER YEAR IN SAUDI ARABIA, INCLUDING BENEFITS, HOUSING, ETC., AT DOLS 150,000. OPTIONS THAT SAG MAY WISH TO CONSIDER INCLUDE PRIVATE CONTRACTS. APPROPRIATE AND EXPERIENCED EXPERTS NOT NOW UNIFORMLY AVAILABLE AND MAN MONTHS COST LIKELY TO BE IN 10 TO 15 THOUSAND DOLLAR RANGE. CONTRACTORS ALSO LACK AID BACKSTOP SYSTEM AND TRAINING RESOURCE CONTACTS.

(D) PARTICIPANT TRAINING - TRAINING PROVIDED AT IPA AND ELSEWHERE IN U.S. NOW COSTS 1525 PER MAN MONTH VICE 2250. THIS REPRESENTS ABOUT NET DECREASE DOLS 150 THOUSAND FOR
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FIFTY STUDENTS. THIS IS TO COVER PER DIEM, IN COUNTRY TRAVEL, ETC., INCLUDING DOLS 275 OVERHEAD COST. THIS IS UNIFORM NON-UNIVERSITY COST FOR ALL AID TRAINING. OPS CONTINUES TO BE BEST RESOURCE FOR CENTRALIZED MANAGEMENT OF U.S. TRAINING OF FOREIGN POLICE OFFICERS (REFER STANDARD OVERHEAD COST FACTORS).

4. IN RESPONDING TO NAIF LETTER SUGGEST EMBASSY MAKE FOLLOWING POINTS: (A) WE UNDERSTAND SAUDI UNHAPPINESS WITH RISING EXPERT COSTS, BUT IN TIME OF INFLATION WE DO NOT BELIEVE INCREASES UNREASONABLE, AND COSTS FOR EXPERTS THROUGH MARCH 31, 1975 DO NOT INCLUDE WASHINGTON BACKSTOPPING WHICH BEING FULLY BORNE BY AID AS HAS BEEN THE CASE SINCE THE PROJECT BEGAN. WE MUST RESOLVE QUICKLY QUESTION FUNDING FOR EXPERTS REMAINING IN SAUDI

ARABIA THROUGH MARCH 31, 1975 AND THEREFORE REQUEST THAT
SAG DEPOSIT DOLS 75,000 IN TRUST FUND AS SOON AS POSSIBLE
AND IN ANY EVENT NO LATER THAN DECEMBER 31, 1974 (AS PER
PARA 2 ABOVE).

(B) WE ARE PREPARED TO FIELD USG SURVEY TEAM DRAWING ON
WIDEST POSSIBLE SPECTRUM OF US EXPERTISE, BOTH FROM
PUBLIC AND PRIVATE SECTOR.

(C) WHILE WE PREPARED FIELD DIVERSE TEAM, WE MUST INFORM
SAG THAT AT PRESENT AID/OPS IS ONLY USG ORGANIZATION
EMPOWERED TO CARRY OUT PUBLIC SAFETY ASSISTANCE ABROAD
OF THE TYPE SAG DESIRES. GETTING OTHER USG AGENCIES
-

INTO THE FIELD WOULD REQUIRE LEGISLATIVE AMENDING OF
THEIR CHARTERS, WHICH DIFFICULT, TIME CONSUMING AND
HIGHLY UNLIKELY GIVEN CONGRESSIONAL SENTIMENT. STATE
DEPARTMENT IN COOPERATION WITH AID PREPARED TO MAKE
EVERY EFFORT TO ENSURE FIRM PROGRAM MANAGEMENT AND
PROMPT ACCOUNTING FOR ANY FUTURE PUBLIC SAFETY PROGRAM
IN SAUDI ARABIA WHICH PROVES FEASIBLE. WE HOPEFUL THAT
RESULTS SURVEY CAN LEAD TO PROVISION OF ASSISTANCE
RESPONSIVE TO SAUDI NEEDS.

(D) COSTS - WHILE THIS REQUIRES FURTHER STUDY, WE ARE
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NOT OPTIMISTIC THAT AVERAGE COST OF ANY EXPERTS
RESIDENT IN SAUDI ARABIA PROVIDED UNDER ANY NEW
ARRANGEMENT WORKED OUT WILL BE BELOW STANDARD COST
FIGURE USED BY AID.

5. CONCUR EMBASSY PROPOSAL NESBITT RETURN TO WASHINGTON
TO ASSIST IN PREPARATION/BACKSTOPPING OF SURVEY TEAM. INGERSOLL

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